GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:269
ANSWERED ON:10.08.2000
USE OF DIESEL FOR POWER GENERATION
SUKDEO PASWAN;SUSHIL KUMAR INDORA

Will the Minister of POWER be pleased to state:

(a) whether any consensus has been reached with regard to use diesel for power generation;

(b) if so, the details thereof and the time by which this decision is likely to be made effective;

(c) the targeted quantum of power to be generated therefrom;

(d) whether the Government have assessed the cost of generation of power with the use of diesel; and

(e) if so, the details thereof and its comparison with the generation cost of thermal and hydro power?

Answer

THE MINISTER OF POWER (SHRI P.R. KUMARAMANGALAM)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 269 TO BE ANSWERED IN THE LOK SABHA ON 10.8.2000 REGARDING USE OF DIESEL FOR POWER GENERATION.

(a) & (b) : The liquid fuel policy announced by the Government of India (GOI), Ministry of Power in November, 1995 and as amended till date, while permitting the use of some liquid fuels for generation of electricity, does not allow the use of High Speed Diesel (HSD) for this purpose. However, the policy allows the use of HSD on a restricted basis for power generation only as a special case in inaccessible and isolated areas where small diesel based capacities are sought to be set up and where use of other fuels is not feasible. Government has recently taken a decision to permit the use of domestic HSD as a fuel in power generation. Import of HSD for this purpose would be considered on a case to case basis only if there is a shortfall in the availability of domestic HSD. The Resolution in this regard is likely to be issued shortly.

(c) : HSD, like some of the other liquid fuels, would give more options of fuel to power projects as it has some advantages over other fuels and could also be used by the power plants as a bridge fuel on an interim basis, to be eventually replaced by gas, as and when available. So far, no target has been fixed for the quantum of power to be generated by using HSD as a fuel.

(d) & (e) : The cost of generation by using any particular fuel depends on various factors such as transportation costs, calorific value, basic cost of the fuel and taxes/duties such as customs duty, Central and State Excise duty and risk element in supply of fuel etc. However, power generation based on HSD is likely to be a costlier option as compared to thermal generation based on coal and also hydro generation.